Syllabus
Economics W4505
International Monetary Theory and Policy
Spring 2015

Professor: Martín Uribe. E-mail: martin.uribe@columbia.edu. Office Hours: Mondays 4:15-5:15pm, IAB 1109A.

Meetings: Mondays and Wednesdays 8:40am-9:55am, Pupin 428.

Head TA: Samer Shousha. E-mail: sfs2146@columbia.edu. Office Hours: Tuesdays 3-4pm, Lehman Library group studying area.

Graduate TA: Tuo Chen. E-mail: chentuo115@gmail.com. Office Hours: Mondays 5:15-6:15pm, Lehman Library group studying area.

Undergraduate TA: TBA. E-mail: TBA. Office Hours: TBA.

Recitations:
Samer: Fridays 2:30pm - 4:00pm 503 HAMILTON.
Tuo: Thursdays 5:00 - 6:30 pm 825 MUDD.

Prerequisites: Economics W3211 and Economics W3213.

Midterm Exam: Wednesday, March 11, in class.

Final Exam: Wednesday, May 13 from 9 to 12 (projected).

Course description: Econ W4505 is a field course in International Macroeconomics. The course develops a theoretical framework for the analysis of the determinants of international capital movements, trade imbalances, and nominal and real exchange rates. The theoretical framework is then used as the basis for the discussion of policy issues such as the emergence of the U.S. as the largest foreign debtor, global trade imbalances, developing-country debt crises, the current European financial crisis, exchange-rate-based inflation stabilization, currency unions, debt default, balance-of-payment crises, and the effect of the great recession of 2008 on the world economy.

Text: “International Macroeconomics” by Stephanie Schmitt-Grohé, Martín Uribe, and Michael Woodford Columbia University, 2015. The textbook manuscript will be posted on courseworks.

Requirements: The final grade will be based on written assignments (20%), a midterm exam (35%), and a cumulative final exam (45%). No late problem sets will be accepted and no makeup exams will be given. You may miss one of the homework assignments. Homework assignments will be posted on courseworks one week before their due dates. Homeworks are due at the beginning of class on the specified due date.

Outline of the material to be covered in class:
1. Global Imbalances
   - Additional Readings:

2. Current Account Sustainability
   *International Macroeconomics*, chapter 2.

3. A Theory of Current Account Determination
   *International Macroeconomics*, chapters 3 and 5.

4. Uncertainty and the Current Account
   *International Macroeconomics*, chapter 4.

5. Current Account Determination in a Production Economy
   *International Macroeconomics*, chapter 5.

6. External Adjustment in Small and Large Economies
   Additional Reading:

7. Twin Deficits: Fiscal Deficits and Current Account Imbalances
   *International Macroeconomics*, chapter 7.

8. International Capital Market Integration
   - Additional Readings:

   - Additional Readings:
10. The Macroeconomics of External Debt

*International Macroeconomics*, chapter 11.

11. Monetary Policy and Nominal Exchange Rates

* International Macroeconomics, chapter 12.

* Additional Readings: